

HAMBRO CANADA (1972) LIMITED

1104 Royal Trust Tower,
Toronto-Dominion Centre,
Toronto, Canada
M5K 1H6

NOTICE OF ANNUAL AND GENERAL MEETING OF SHAREHOLDERS

To the Shareholders:

TAKE NOTICE that the Annual and General Meeting of the Shareholders of HAMBRO CANADA (1972) LIMITED will be held in Confederation Room No. 3, The Royal York Hotel, 100 Front Street West, Toronto, on Tuesday, the 7th day of May, 1974 at the hour of 3:30 o'clock in the afternoon, Eastern Daylight Saving Time, for the following purposes:

1. To receive the Directors' Report and Financial Statements;
2. To elect Directors for the ensuing year;
3. To appoint Auditors and authorize the Directors to fix their remuneration;
4. To confirm, with or without variation as a Special Resolution of the Corporation, a Resolution passed by the Board of Directors on the 4th day of April, 1974, to authorize amending the Articles of the Corporation to change the name of the Corporation to HAMBRO CANADA LIMITED.
5. To consider and if deemed advisable to confirm, with or without variation, as By-law Number A11 of the Corporation, the By-law passed by the Directors on the 4th day of April, 1974, entitled "A By-law relating generally to the transaction of the business and affairs of HAMBRO CANADA LIMITED and providing for the revision and consolidation of certain By-laws heretofore enacted", which provides for the repeal of By-law Number A1 of the Corporation, as amended by By-laws Numbers A6, A7 and A8 of the Corporation, which By-law as amended relates generally to the transaction of the business and affairs of the Corporation and also provides for the repeal of By-laws Numbers A2, A3, A4, A5, A6 and A7 of the Corporation.
6. To consider and if deemed advisable to confirm, with or without variation, as By-law Number A12 of the Corporation, the By-law passed by the Directors on the 4th day of April, 1974, entitled "A By-law respecting the remuneration of Directors of the Corporation."
7. To consider and if deemed advisable to confirm, with or without variation as Special By-laws of the Corporation the following By-laws passed by the Directors on the 4th day of April, 1974, for confirmation as Special By-laws of the Corporation, namely:
 - (i) By-law Number A13 of the Corporation entitled "A Special By-law to authorize the borrowing of money, the issuing of debt obligations and the securing of liabilities of the Corporation".
 - (ii) By-law Number A14 of the Corporation entitled "A Special By-law to authorize the Corporation to make loans to employees".
 - (iii) By-law Number A15 of the Corporation entitled "A Special By-law providing for payment of commissions on the sale of shares of the Corporation".
8. To transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Shareholders who are unable to attend this Meeting in person are requested to specify on the enclosed Proxy the manner in which the shares represented thereby are to be voted, sign and return same to the undersigned in the return envelope enclosed herewith.

Particulars of By-laws Number A11, A12, A13, A14 and A15 are set forth in the Information Circular attached hereto. Copies of such By-laws may be obtained from the Head Office of the Corporation and copies will be made available at the Annual and General Meeting.

A copy of the Directors' Report and Financial Statements to be laid before the Meeting is forwarded herewith.

DATED the 5th day of April, 1974.

By Order of the Board,

P. C. FINLAY,
Secretary.

HAMBRO CANADA (1972) LIMITED

INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation of proxies by the Management of the Corporation for use at the Annual and General Meeting of the Shareholders of the Corporation to be held on Tuesday, the 7th day of May, 1974, and at any adjournment or adjournments thereof, (hereinafter referred to as the "Meeting").

The cost of solicitation will be borne by the Corporation. The solicitation will be primarily by mail, but proxies may also be solicited by regular employees of the Corporation. No remuneration will be paid to any person for soliciting proxies, but the Corporation may, upon request, pay to certain brokerage firms, fiduciaries or other persons holding shares in their names for others, the charges entailed for sending out proxies to the persons for whom they hold shares.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Shareholders of record at the time of the holding of the Meeting will be entitled to one vote for each share held. The Corporation has outstanding 6,903,867 shares of its capital stock.

A shareholder who has given a proxy may revoke it at any time prior to its use either (a) by signing a proxy bearing a later date and delivering it to the Secretary of the Corporation, or (b) by signing written notice of revocation and delivering it to the Secretary of the Corporation or the Chairman of the Meeting.

The Corporation has been informed that Hambros Limited beneficially owns, directly or indirectly, 3,300,000 shares, or 47.8%, of the issued and outstanding shares of the Corporation.

ELECTION OF DIRECTORS

The Board consists of twelve Directors to be elected annually. **The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below**, all of whom are now Directors of the Corporation and have been since the dates indicated. The Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a Director but, if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the enclosed form of proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each Director elected will hold office until the next Annual Meeting or until his successor is elected or appointed.

The following table and notes thereto set out the names of the twelve persons proposed to be nominated for election as Directors, all positions and offices with the Corporation now held by each of them, their respective principal occupations or employments and principal occupations and employments within the five preceding years, the period during which each has served as a Director of the Corporation and the approximate number of shares of the Corporation and its subsidiaries beneficially owned, directly or indirectly, by each of them. The statements as to the shares of the Corporation and its subsidiaries beneficially owned by the nominees for election as Directors are in each instance based upon information furnished by the person concerned.

Name	Position with Company	Present Principal Occupation or Employment	Director Since	Number of Shares Beneficially Owned
*E. R. Erskine Carter	President and Chief Executive Officer and Director	President and Chief Executive Officer, Hambro Canada (1972) Limited	1972	50,000
P. C. Finlay, Q.C.	Secretary and Director	Partner in the legal firm of Holden, Murdoch, Walton, Finlay, Robinson	1941	14,559

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

On November 5, 1973, the Corporation invited tenders of Common Shares of the Corporation ("Hambro Shares") for purchase by it at a price per Hambro Share flat (Canadian funds) to be set by the seller. Pursuant to the said invitation, the Corporation accepted tenders for 1,148,094 Hambro Shares for a total purchase price of \$7,462,298.25 and during the period December 12, 1973, up to and including January 4, 1974, as the certificates for the said Hambro Shares were received and paid for, same were cancelled.

Tokar Limited, which Corporation prior to the invitation for tenders, held 1,135,559 Hambro Shares or approximately 14% of the issued and outstanding Hambro Shares, tendered 1,134,759 of the said Hambro Shares at a price of \$6.50 per share and subsequently received payment of \$7,375,933.50.

AMENDMENT OF ARTICLES

At the Meeting the Shareholders will be asked to confirm, with or without variation, as a Special Resolution of the Corporation, the Resolution passed by the Directors of the Corporation on April 4, 1974, amending the Articles of the Corporation to change its name to HAMBRO CANADA LIMITED. The aforesaid Resolution will not become effective unless confirmed by at least two-thirds of the votes cast at the Meeting.

BY-LAWS

As set forth in the Notice of Annual and General Meeting of Shareholders, the Shareholders will be asked to consider and if deemed advisable to confirm, with or without variation, the following By-laws which were passed by the Directors on April 4, 1974:

(a) **By-Law Number A11** entitled "A By-law relating generally to the transaction of the business and affairs of HAMBRO CANADA LIMITED and providing for the revision and consolidation of certain By-laws heretofore enacted" provides for changes in By-law Number A1 of the Corporation, as amended by By-laws Numbers A6, A7 and A8 of the Corporation, which By-laws contain provisions relating generally to the transaction of the business and affairs of the Corporation, in order to bring the same into conformity with the provisions of The Business Corporations Act (hereinafter referred to as the "Act") and for such purpose provides for the repeal of the following By-laws of the Corporation:

- (i) By-law Number A1 of the Corporation, a By-law relating generally to the transaction of the business and affairs of the Corporation as amended by By-laws Numbers A6, A7 and A8;
- (ii) By-laws Number A6 and A7 of the Corporation which By-laws provide for amendments to By-law Number A1;
- (iii) By-law Number A2 entitled "A By-law respecting the borrowing of money and the issue of bonds";
- (iv) By-law Number A3 entitled "A By-law to authorize the Directors to purchase, hold, sell and deal with investments";
- (v) By-law Number A4 entitled "A By-law to authorize the Directors to acquire, hold and deal with certain real or personal property and to pay for same in whole or in part with shares of the Company"; and
- (vi) By-law A5 entitled "A By-law to authorize the Company to pay dividends out of funds derived from the operations of the Company".

Until January 1, 1975, any provisions in the By-laws of the Corporation which were valid immediately prior to January 1, 1971, the date the said Act came into force (except any provision which contravenes the section of the said Act relating to indemnification of directors) continue to be valid and in effect. From and after January 1, 1975, any provisions of the By-laws of the Corporation presently in force which contravene the provisions of the said Act will cease to be valid and accordingly By-law Number A11 amends the By-laws of the Corporation relating generally to the transaction of the business and affairs of the Corporation in order that the provisions set forth therein will comply with the Act as of January 1, 1975.

(b) **By-law Number A12** entitled "A By-law respecting the remuneration of Directors of the Corporation" is required by the Act in order to provide for remuneration of Directors as such, and to fix the remuneration payable to each Director at the rate of \$1,000.00 per annum and provides for

Name	Position with Company	Present Principal Occupation or Employment	Director Since	Number of Shares Beneficially Owned
C. E. A. Hambro	Chairman of the Board and Director	Deputy Chairman and Director, Hambros Limited	1972	425
R. N. Hambro	Director	Director, Hambros Bank Limited	1972	429
P. D. Hill-Wood	Director	Director, Hambros Bank Limited	1972	425
*Fred H. McNeil	Director	President and Chief Operating Officer, Bank of Montreal	1973	100
*K. A. Roberts	Deputy Chairman of the Board and Director	Chairman of the Board and Chief Executive Officer of Peel-Elder Limited, and Deputy Chairman of the Board of Hambro Canada (1972) Limited	1960	1,501
H. F. Teney	Vice-President (Corporate Affairs) and Director	Vice-President (Corporate Affairs) of Hambro Canada (1972) Limited	1974	25,000
*J. B. L. Thomas	Vice-President (Finance), Treasurer and Director	Vice-President (Finance), Treasurer and Director Hambro Canada (1972) Limited	1972	25,425
John L. Toole	Director	Chairman, C.N. Investment Division and Vice-President of Canadian National Railways	1969	500
R. A. Wheeler	Director	Director, Hambros Bank Limited	1972	1,275
P. C. Wood	Director	Executive, Hambros Bank Limited	1972	425

*Members of the Executive Committee

NOTES:

Tokar Limited, Aetna-Goldale Investments Limited, Ontario Trust Company and Foodex Systems Limited are subsidiaries of the Corporation.

Mr. E. R. Erskine Carter was President and Chief Executive Officer, Patino, N.V., a mining company, from November, 1971, to December, 1972, and prior to that was President and Chief Executive Officer, The Patino Mining Corporation; Mr. Carter owns 50,000 shares of Tokar Limited and 50,000 shares of Aetna-Goldale Investments Limited.

Mr. P. C. Finlay owns 8,488 shares of Tokar Limited and 5 shares of Aetna-Goldale Investments Limited.

Mr. R. N. Hambro has been a Director, Hambros Bank Limited, since July, 1969, and prior to that was an employee of Hambros Bank Limited.

Mr. P. D. Hill-Wood has been a Director, Hambros Bank Limited, since July, 1968, and prior to that was an employee of Hambros Bank Limited.

Mr. Fred H. McNeil was Executive Vice-President and General Manager, Bank of Montreal, from February, 1970, to February, 1973, and prior to that was Executive Vice-President Administration, Bank of Montreal.

Dr. K. A. Roberts has been Chairman of the Board and Chief Executive Officer of Peel-Elder Limited since May 1969, and prior to that date was President of Peel-Elder Limited. Dr. Roberts owns 40,250 shares of Tokar Limited, 229 shares of Ontario Trust Company and 5 shares of Aetna-Goldale Investments Limited.

Mr. H. F. Teney has been Vice-President (Corporate Affairs) of Hambro Canada (1972) Limited since January 1973, and for more than five years prior to that was a partner in the legal firm of Holden, Murdoch, Walton, Finlay, Robinson. Mr. Teney owns 25,000 shares of Tokar Limited, 25,000 shares of Aetna-Goldale Investments Limited, 200 shares of Ontario Trust Company and 2,500 shares of Foodex Systems Limited.

Mr. J. B. L. Thomas has been Vice-President (Finance), Treasurer and a Director of Hambro Canada (1972) Limited since December 1972, and from December 1970 to December 1972 was Executive Vice-President and Secretary-Treasurer of Hambro Corporation of Canada Limited, and prior to December 1970 was Treasurer of Locana Corporation Ltd., an investment company. Mr. Thomas owns 25,000 shares of Tokar Limited, 25,000 shares of Aetna-Goldale Investments Limited, 200 shares of Ontario Trust Company and 6,000 shares of Foodex Systems Limited.

Mr. P. C. Wood has been an Executive, Hambros Bank Limited, since April, 1969, and prior to that was a Director of Norman D'Arcy & Associates Limited, an investment company.

REMUNERATION OF MANAGEMENT AND OTHERS

(a) The aggregate direct remuneration paid or payable by the Corporation and its subsidiaries, whose financial statements are consolidated with those of the Corporation, to the Directors and senior officers of the Corporation during 1973 was \$187,000.

(b) No options to purchase securities of the Corporation or any of its subsidiaries were granted to or exercised by such Directors or senior officers during 1973.

(c) Under a share purchase plan established in 1973, the Corporation advanced money by way of interest-free loan to a trustee to be applied in payment of the subscription price of shares of the Corporation to be purchased and held by the trustee for sale to key employees. To date \$900,000 has been advanced under the plan for the purchase of an aggregate of 100,000 shares for sale to three key employees, all of whom are Directors and/or senior officers. The said 100,000 shares were authorized for issue on January 31, 1973, at a price of \$9 per share. The closing price on The Toronto Stock Exchange on that day was \$8.50 per share. On January 31, 1973, Hambro Corporation of Canada Limited, a wholly-owned subsidiary of the Corporation, sold to three key employees of the Corporation, all of whom are Directors and/or senior Officers of the Corporation, an aggregate of 100,000 shares of Tokar Limited at a price of \$3.25 per share, payable by interest-free promissory notes of the purchasers. The closing price of Tokar Limited on the Vancouver Stock Exchange on that date was \$3.10 per share;

On May 8, 1973, the Corporation sold to three key employees, all of whom are Directors and/or senior Officers of the Corporation, an aggregate of 100,000 shares of Aetna-Goldale Investments Limited, at the price of \$1.53 per share, payable by interest-free promissory notes of the purchasers. The closing quotation for shares of Aetna-Goldale Investments Limited on the Vancouver Stock Exchange on that date was \$1.30 bid — \$1.50 asked;

On September 1, 1973, Hambro Corporation of Canada Limited, a wholly-owned subsidiary of the Corporation, sold to a key employee of the Corporation, who is a senior Officer of the Corporation, 25,000 shares of Tokar Limited at the price of \$3.25 per share, payable by an interest-free promissory note of the purchaser. The closing quotation for shares of Tokar Limited on the Vancouver Stock Exchange on that date was \$2.35 bid — \$2.40 asked;

On September 1, 1973, the Corporation sold to a key employee of the Corporation, who is a senior Officer of the Corporation, 25,000 shares of Aetna-Goldale Investments Limited at the price of \$1.53 per share, payable by an interest-free promissory note of the purchaser. The closing quotation for shares of Aetna-Goldale Investments Limited on the Vancouver Stock Exchange on that date was \$1.25 bid — \$1.50 asked.

reimbursement to each Director of the expenses incurred by him in attending Meetings of the Board or the Executive Committee or Audit Committee or any other Committee (if he is a member thereof);

(c) **By-law Number A13** entitled "A Special By-law to authorize the borrowing of money, the issuing of debt obligations and the securing of liabilities of the Corporation" replaces the present borrowing By-law which does not conform with the Act;

(d) **By-law Number A14** entitled "A Special By-law to authorize the Corporation to make loans to employees" will replace the former By-law authorizing loans to employees which does not conform with the Act;

(e) **By-law Number A15** entitled "A Special By-law providing for payment of commissions on the sale of shares of the Corporation" provides for payment of commissions or allowing discounts on the sale of shares of the Corporation in accordance with the Act.

By-law Number A11 provides that it shall not become effective until it is confirmed by at least two-thirds of the votes cast at a Meeting of Shareholders duly called for that purpose. By-law Number A12 must be confirmed by a majority of the votes cast at a General Meeting of Shareholders and By-laws Number A13, A14 and A15 were passed by the Directors for confirmation as Special By-laws of the Corporation and must be confirmed by at least two-thirds of the votes cast at a General Meeting of Shareholders duly called for that purpose.

Shareholders may obtain a copy of each of the above mentioned By-laws Numbers A11, A12, A13, A14 and A15 from the Head Office of the Corporation on request, and copies of such By-laws will be made available to the Shareholders at the forthcoming Annual and General Meeting.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the appointment of Clarkson, Gordon & Co., Chartered Accountants, as Auditors of the Company, to hold office until the next Annual Meeting of Shareholders, at a remuneration to be fixed by the Directors. Clarkson, Gordon & Co. have been the Auditors of the Corporation since December, 1972.

OTHER MATTERS

The Management does not know of any other matters to be brought before the Meeting other than those hereinbefore set forth and in the Notice of Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

The information contained herein is given as of 5 April, 1974.

Toronto, Ontario.